Army Benefits Center-Civilian

FERS Overview

INTRODUCTION

ABC-C MISSION: We are a top performing, caring team of Civilian Human Resource professionals providing quality benefits and entitlements services to our customers through a centralized automated contact center.

ABC-C SERVICES: Provide advisory services and processes transactions for:

- **Federal Employees Health Benefits (FEHB)**
- **Federal Employees' Group Life Insurance (FEGLI)**
- **Thrift Savings Plan (TSP)**
- **Retirement (FERS & CSRS)**
- **Survivorship (Death Claim Processing)**

ABC-C AUTOMATED SYSTEMS

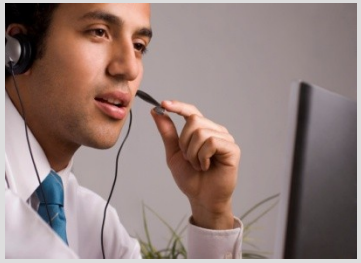
Employee Benefits Information System (EBIS) – Web Based

- Customer-friendly
- Available 24 hours a day
- Secure site
- Ability to read at convenience
- Ability to print screens of information
- Can process benefits transactions without counselor assistance
- Ability to print benefits forms
- Estimate calculators
- ABC-C website: https://www.abc.army.mil

ABC-C AUTOMATED SYSTEMS

Interactive Voice Response System (IVRS) - Telephone

- Can connect with a counselor if needed
- Available to those without computer access
- Requires use of SSN and PIN only
- Can process benefit transactions without counselor assistance



- Can receive faxed back copies of documents (FEHB enrollment form)
- Counselors are available 12 hours a day
- Automated system available 24 hours a day
- Separated employees have access for 180 days
- ABC-C toll-free telephone number is 1-877-276-9287 (TDD for the hearing impaired is 1-877-276-9833)

COUNSELOR ASSISTED CALLS

1 JANUARY – 31 DECEMBER 2010

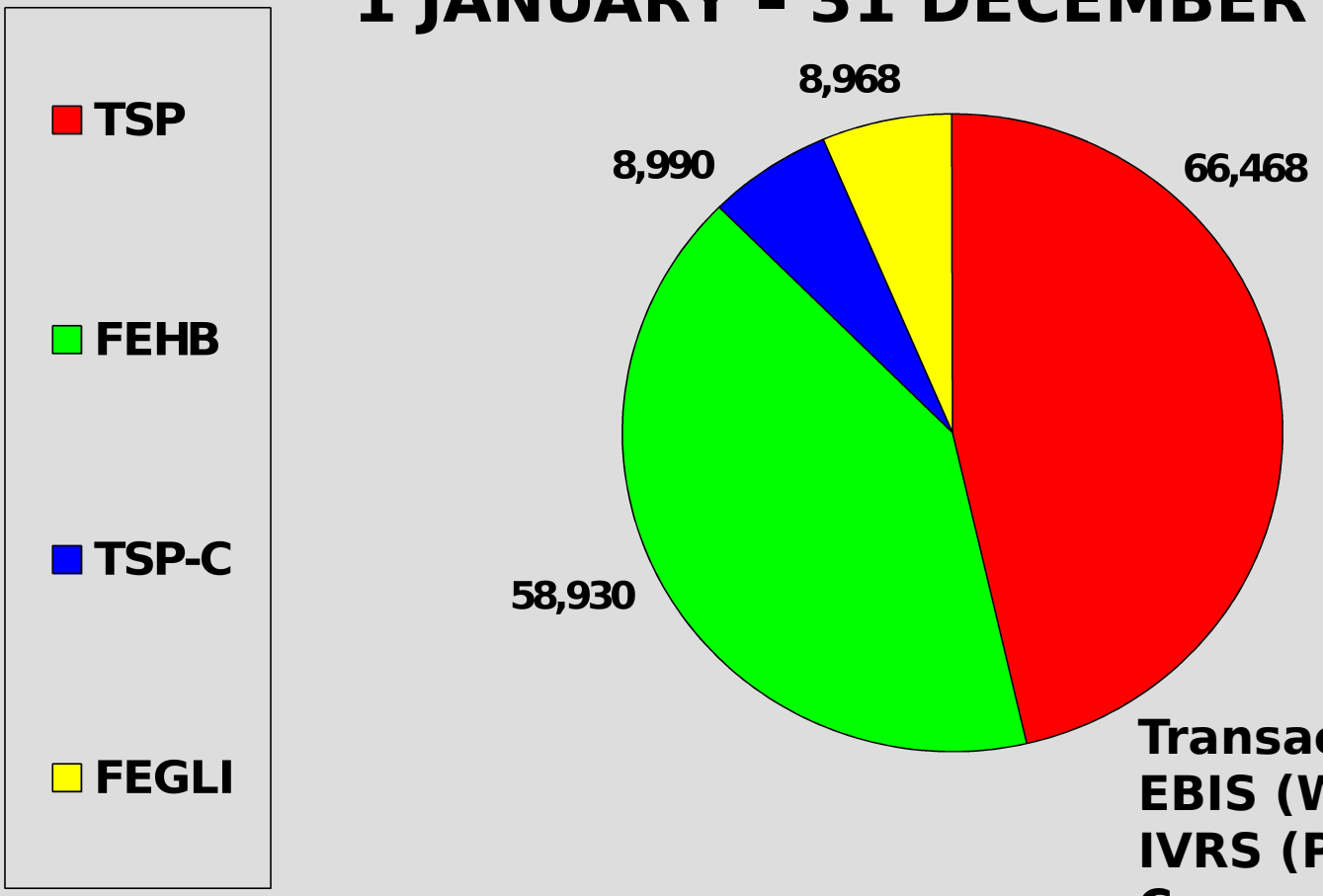
110,207 Total Calls
Average Answer Time: 43 Seconds
Average Call Length: 9 Minutes 54 Seconds
Average Wrap-Up Time: 2 Minutes 38 Seconds

ABC-C Benefits Counselors are available from 6:00 a.m. to 6:00 p.m. CT
Monday - Friday

Peak Call Times are between 8:00 a.m. and 2:00 p.m.

BENEFITS TRANSACTION SUMMARY

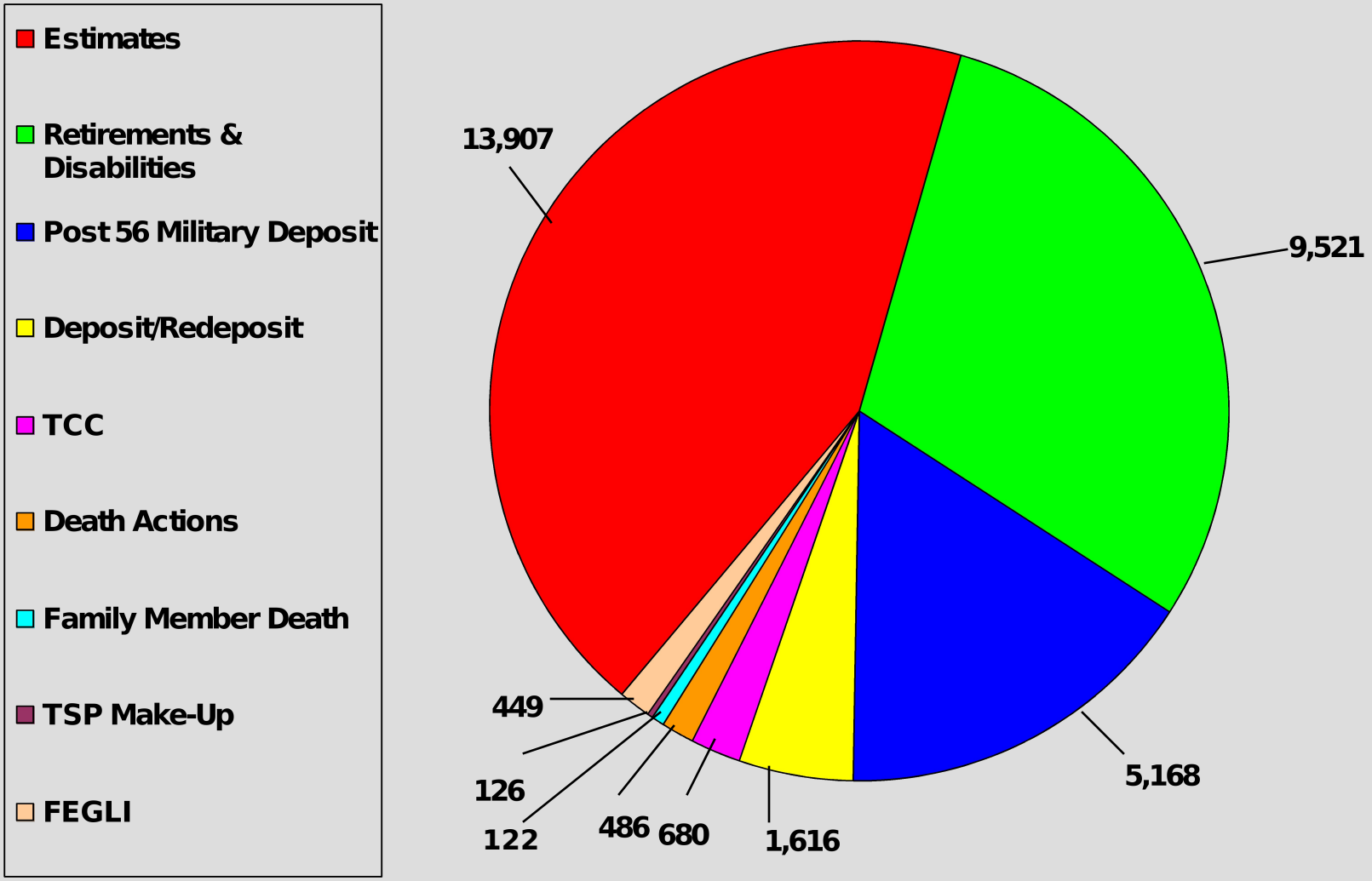
1 JANUARY – 31 DECEMBER 2010



Transaction Source:
EBIS (Web) – 132,400
IVRS (Phone) – 1,918
Counselor Assisted – 8,900
Total Transactions = 143,2

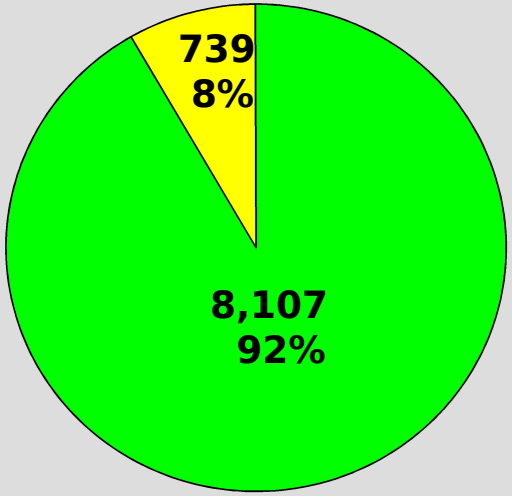
PRODUCTION SUMMARY

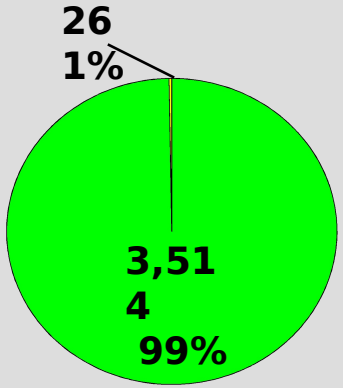
1 JANUARY – 31 DECEMBER 2010



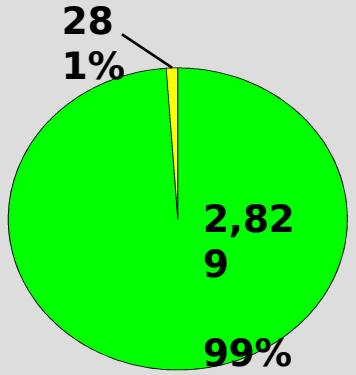
RETIREMENT PROCESSING TIME

1 JANUARY – 31 DECEMBER 2010

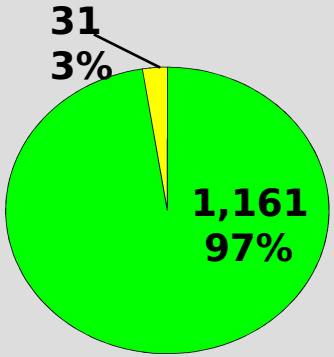




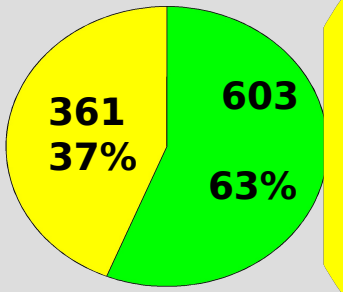
Rcvd More Than 60 Days: 3,540



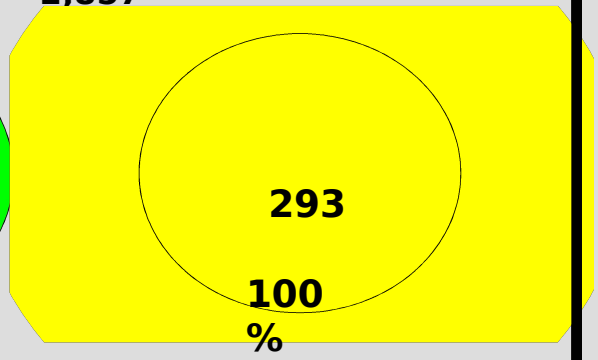
Rcvd 31-60 Days: 2,857



Rcvd 16-30 Days: 1,192



Rcvd 1-15 Days: 964



Rcvd On/After DOR: 293

Total: 8,846
- **Met**
- **Did Not Meet**

Goal: Complete retirement package NLT 5 working days prior to DOR.

CONTINUING CHALLENGES

- Last minute VERA/VSIP approvals
- Short notice retirement applications
- Federal Erroneous Retirement Coverage Corrections Act (FERCCA)
- Aging workforce
- Base Realignment and Closure (BRAC)

ON THE HORIZON

- HR Link (electronic estimates)
- Growing serviced population
- eOPF – Electronic Official Personnel Folder

ANY QUESTIONS?

RETIREMENT PLANNING

RETIREMENT PLANNING

- **Early Career – 25 + years to retirement**
  - **Enroll in TSP**
  - **Enroll in benefits (FEHB, FEGLI, FEDVIP, FSA)**
  - **Pay civilian deposit**
  - **Pay military deposit**
  - **New Employee Orientation briefing - https://www.abc.army.mil/NewEmployee/NewEmployeeOrientation.htm**
- **Mid Career – 10 - 24 years to retirement**
  - **Adjust benefits based on life situation**
  - **Review level of TSP participation & allocation between the funds**

RETIREMENT PLANNING

- **Late Career:**
  - **Less than 10 years prior to retirement:**
    - **Use calculators in EBIS to get a rough estimate of annuity**
    - **Determine income needed in retirement using the Federal Ballpark E$timate calculator**
    - **Adjust TSP contributions & other savings based on results from calculators**
  - **Five years to retirement:**
    - **Verify eligibility to continue FEHB & FEGLI into retirement**
    - **Request a retirement estimate**
    - **Maximize TSP contributions & other savings**

RETIREMENT PLANNING LINKS

Federal Ballpark E$timate:
https://www.opm.gov/retire/tools/calculators/ballpark/menu.asp

Retirement information & services provided by OPM:
http://www.opm.gov/retire/index.asp

U.S. Financial Literacy Education Con e:
http://www.mymoney.gov

Army Benefits Center–Civilian EBIS:
https://www.abc.army.mil

FERS

- New employees first hired in covered position on/after 01-01-1987
- Contribute 0.8% of salary to FERS
- Contribute to Social Security
- Can contribute up to IRS limit to TSP, receive agency matching of 5% if you contribute at least 5% of your salary
  - Automatic 1% contribution regardless of your TSP contribution rate
  - First 3% of your contributions are matched dollar-for-dollar
  - Next 2% will be matched at 50 cents on the dollar

CSRS INTERIM

- **Employees first hired on/after 01-01-1984 & certain rehires**
- **Reduced CSRS contribution rate of 1.3%**
- **Contribute to Social Security**
- **On 01-01-1987, employees with CSRS Interim coverage changed to:**
  - **CSRS Offset if you had at least 5 years of civilian service**
  - **FERS if you had less than 5 years of civilian service**

CSRS COMPONENT

- **If you have civilian service prior to your election of FERS, and**
- **The service was subject to CSRS retirement deductions, or Social Security deductions, but not both, and**
- **The total of these 2 types of service is 5 or more years, then**
- **This period of service is called a CSRS component, and that portion of your retirement annuity, or civilian deposit, etc. will be calculated using CSRS rules**

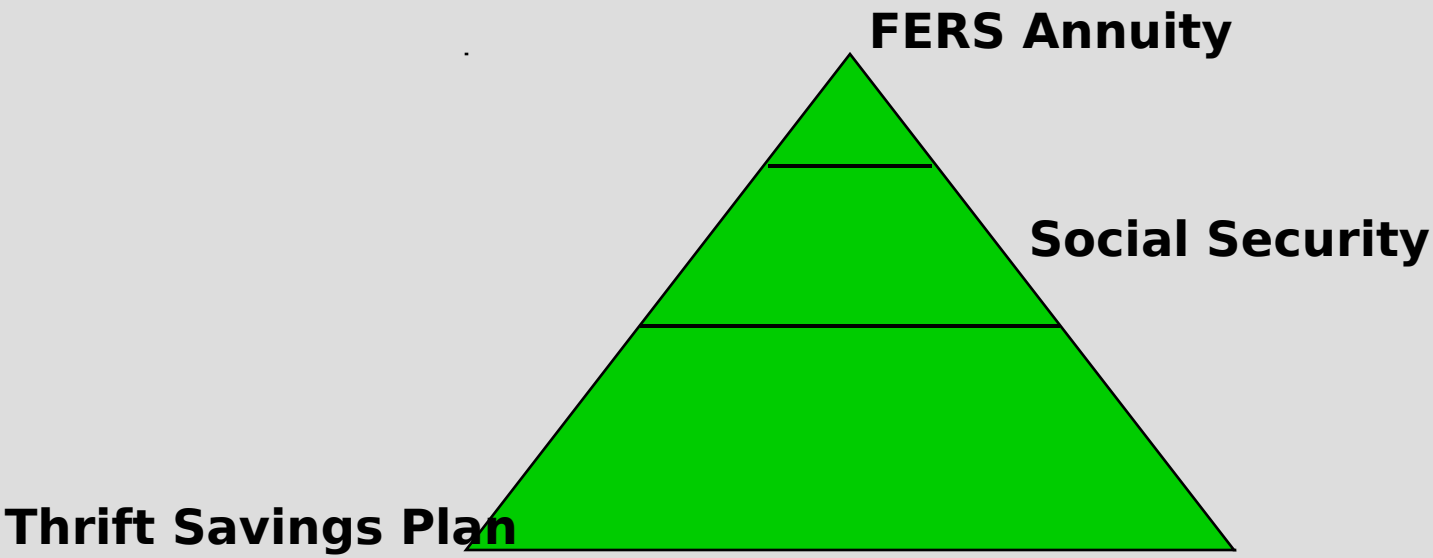
(If you have less than 5 years, the service is creditable under FERS rules)

FERS

FERS is a 3-tiered retirement system

FERS annuity is the smallest component

TSP WILL make up the largest portion of your total retirement



CIVILIAN SERVICE DEPOSIT/REFUND

RETIREMENT SERVICE COMPUTATION DATE (RSCD)

- **Used to determine retirement eligibility and to calculate retirement annuity**
- **May not be the same as your Leave SCD (SCD that appears on your SF 50 & LES)**
- **Not all service that is creditable for leave is creditable for retirement**

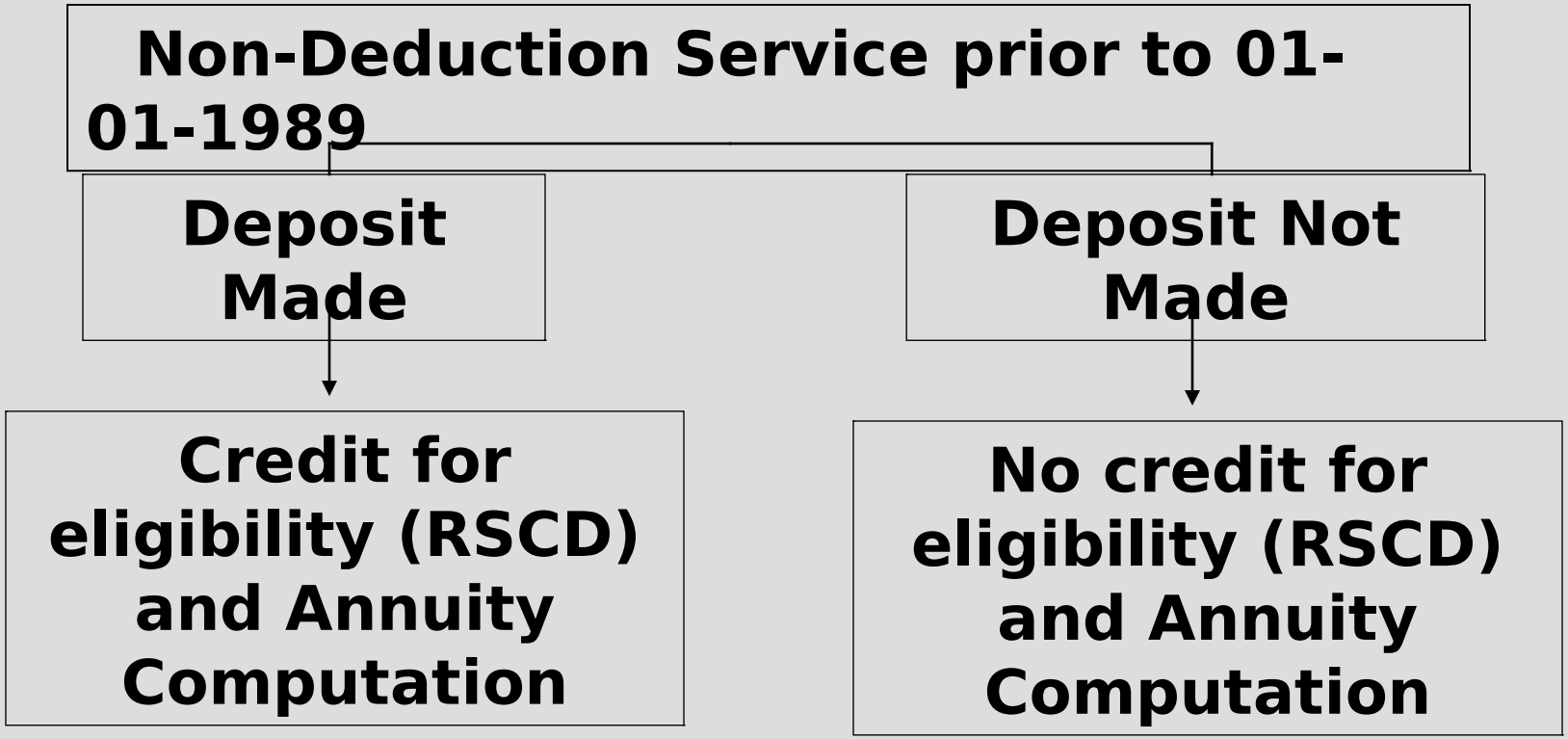
RETIREMENT SERVICE COMPUTATION DATE (RSCD)

- **Examples of service that is creditable for leave but not for retirement:**
  - **Non-Appropriated Fund (NAF) service on a temporary appointment**
  - **For retired military, campaign or combat service if retired military pay is not being waived**
  - **Military service when the military deposit has not been paid**
  - **Service on a temporary appointment performed on or after 01-01-1989**

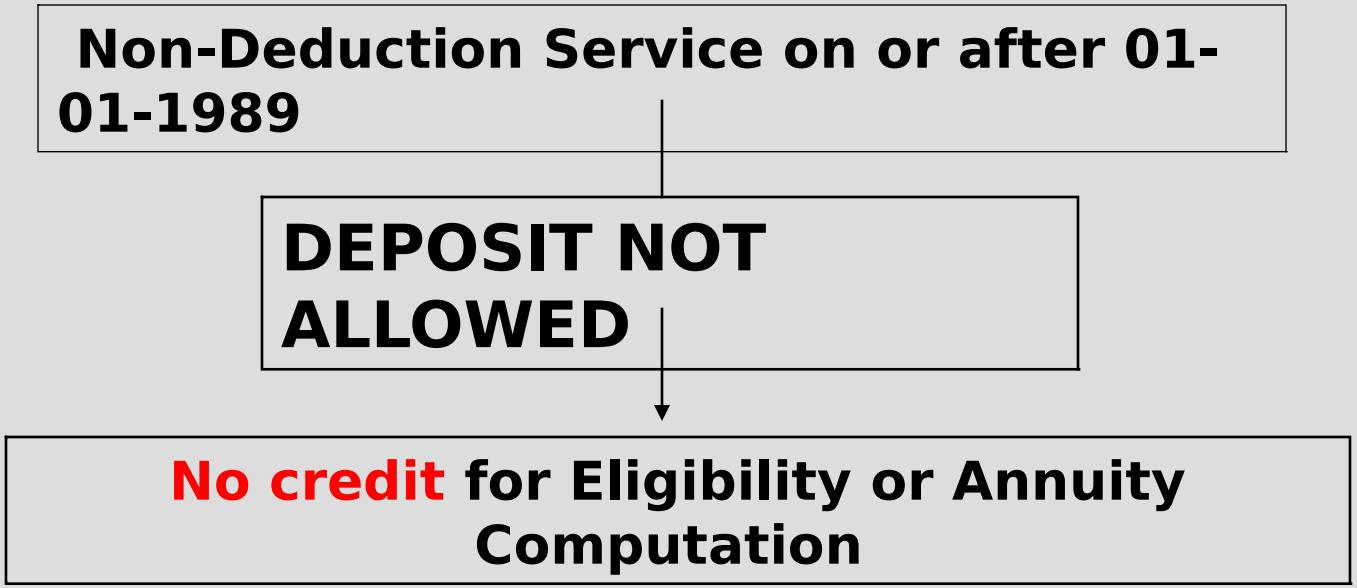
WHAT IS DEPOSIT SERVICE?

- Any period of potentially creditable service during which retirement deductions are not withheld:
  - Generally, non-career time such as temporary or indefinite service
  - Also known as non-deduction service
- Service that is now considered Federal employment, due to a change in the law that allows credit for retirement annuity computation purposes (Peace Corps, VISTA)
- Amount of deposit:
  - 1.3% of earnings + interest (3% of stipend for Peace Corps and VISTA)
  - Interest will vary by the date the service was performed
  - FERS with CSRS component, CSRS rules apply
  - FERS with no CSRS component, FERS rules apply

DEPOSIT SERVICE


Non-Deduction Service prior to 01-01-1989
Deposit Made
Deposit Not Made
Credit for eligibility (RSCD) and Annuity Computation
No credit for eligibility (RSCD) and Annuity Computation

DEPOSIT SERVICE



REFUNDED SERVICE

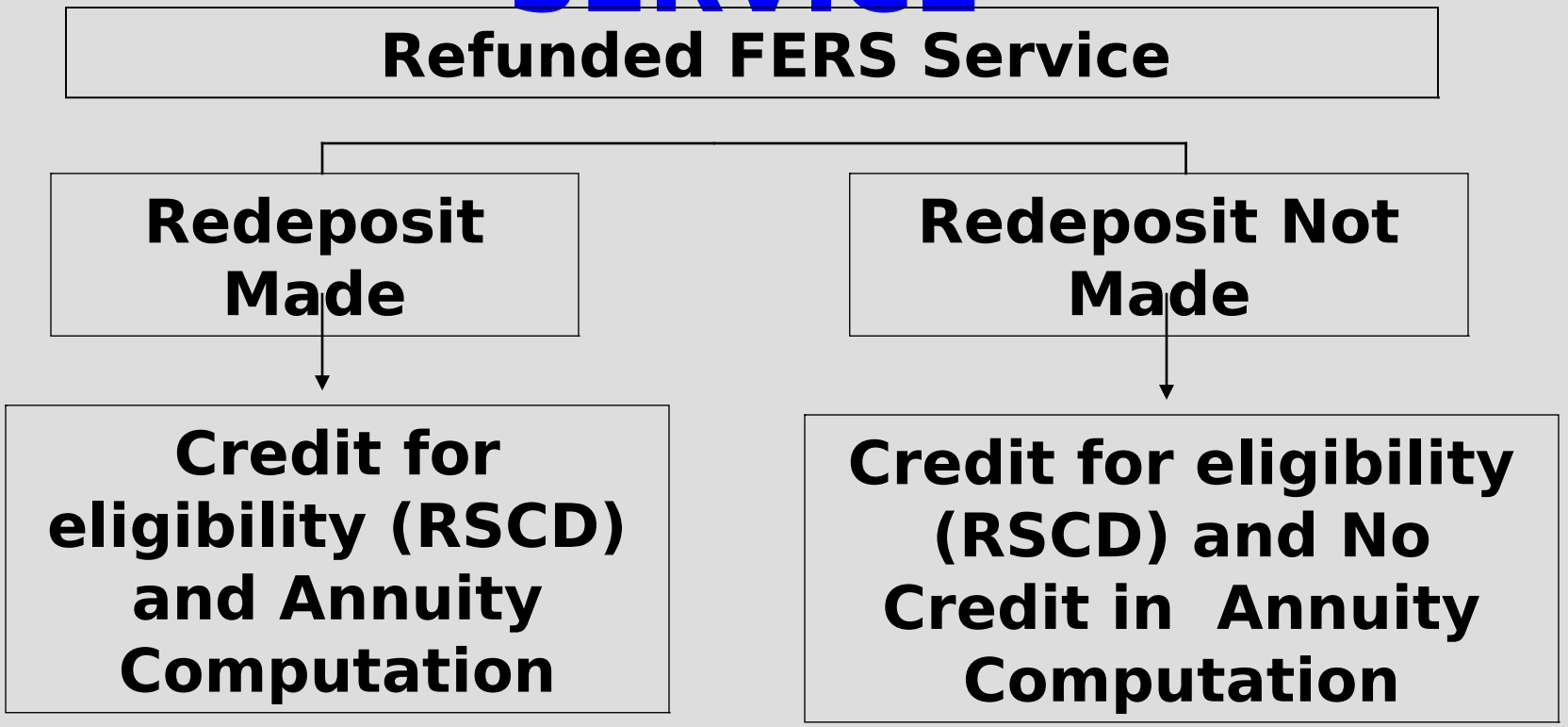
DEFINED AS: FERS Service for which retirement contributions were refunded

FERS REDEPOSIT IS NOW ALLOWED!

Note:

- **FERS with CSRS component, CSRS rules apply**
- **FERS with no CSRS component, FERS rules apply**

REFUNDED SERVICE


Refunded FERS Service
Redeposit Made
Redeposit Not Made
Credit for eligibility (RSCD) and Annuity Computation
Credit for eligibility (RSCD) and No Credit in Annuity Computation

INTEREST RATES

YEAR	RATE	YEAR	RATE	YEAR	RATE
2011	2.75%	2001	6.375%	1991	8.625%
2010	3.125%	2000	5.875%	1990	8.75%
2009	3.875%	1999	5.75%	1989	9.125%
2008	4.75%	1998	6.75%	1988	9.125%
2007	4.875%	1997	6.875%	1987	8.375%
2006	4.125%	1996	6.875%	1986	9%
2005	4.375%	1995	7%	1985	11.125%
2004	3.875%	1994	6.25%	1984	13%
2003	5%	1993	7.125%	1948 - 1984	3%
2002	5.5%	1992	8.125%	Before 1948	4%

HOW TO PAY A CIVILIAN DEPOSIT OR REDEPOSIT

- **Complete front page of SF 3108, *Application to Make Service Credit Payment (FERS)*, and send to the ABC-C.**
- **ABC-C will calculate an estimated deposit/redeposit amount and mail to OPM.**
- **OPM will notify you of final deposit/redeposit amount and payment procedures.**
- **OPM will send you a receipt and new balance each time payment is made.**
- **Ensure “Payment In Full” notice is filed in OPF.**
- **More information is available on the ABC-C website at https://www.abc.army.mil/retirements/FERSDepositService.htm**

MILITARY DEPOSIT

PRE 01-01-1957 MILITARY SERVICE

No deposit required for creditable military service performed prior to 01-01-1957

CREDIT FOR POST-56 MILITARY SERVICE

IN RECEIPT OF MILITARY RETIRED PAY

Based on Non – Combat Disability or Length of Service

No Credit unless Military Retired Pay is waived & deposit is paid

Based on Combat Disability or Chapter 1223, Title 10 (Reserves)

Must Pay to receive credit for Eligibility (RSCD) & Annuity Computation

POST-56 MILITARY SERVICE

Military Service on/after 01-01-1957

↓

Must Pay to receive credit for Eligibility (RSCD) & Annuity Computation

Amount of Deposit:

3% of basic pay earned + interest (2 years interest free)

(Interest will vary)

HOW TO PAY A MILITARY DEPOSIT

- **Complete Form RI 20-97, *Estimated Earnings During Military Service*, and send to the appropriate branch of service (addresses are on the ABC-C website). Include copies of all of your DD 214s.**
- **Upon receipt of estimated earnings, include your DD 214, SF 3108 page 1 and SF 3108A and forward to the ABC-C. The ABC-C will calculate an estimate of the deposit owed and forward to DFAS.**
- **DFAS will finalize the amount owed and advise you of payment options. Payments are made directly to DFAS-Cleveland.**
- **Ensure "Payment In Full" notice is filed in OPF.**
- **More information is available on the ABC-C website at https://www.abc.army.mil/retirements/FERSPost56.htm**

RETIREMENT REQUIREMENTS

TYPES OF RETIREMENT

- **Optional retirement**
- **Voluntary Early Retirement Authority (VERA)**
- **Discontinued Service Retirement (DSR)**
- **Deferred retirement**
- **Disability retirement**

GENERAL ELIGIBILITY REQUIREMENTS

- **Have at least 5 years of creditable <u>civilian</u> service with the Federal government**
- **Meet Minimum Retirement Age (MRA)**
- **Must separate from a position subject to FERS coverage**

OPTIONAL RETIREMENT

- **Minimum Retirement Age (MRA) with 30 years service**
- **60 years of age with 20 years service**
- **62 years of age with 5 years service**

- **MRA with at least 10 years but not more than 30 years service:**
  - **5% reduction for each year under age 62 (permanent reduction)**
  - **NOT entitled to an annuity supplement**

Best day to retire: Last day of the month

MINIMUM RETIREMENT AGE (MRA)

IF YEAR OF BIRTH IS...	THE MINIMUM RETIREMENT AGE IS...
BEFORE 1948	55
1948	55 & 2 MONTHS
1949	55 & 4 MONTHS
1950	55 & 6 MONTHS
1951	55 & 8 MONTHS
1952	55 & 10 MONTHS
1953-1964	56
1965	56 & 2 MONTHS
1966	56 & 4 MONTHS
1967	56 & 6 MONTHS
1968	56 & 8 MONTHS
1969	56 & 10 MONTHS
1970 & AFTER	57

VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA)

- Age 50 with at least 20 or more years of service*
- Any age with at least 25 years of service*
- Agency/Installation must approve
- No age reduction under FERS for early retirement
  - If you have a CSRS component, CSRS portion of annuity will be reduced 2% each full year under age 55
- You will receive an annuity supplement if:
  - You retire at or after your MRA
  - If not, you will receive it once you reach your MRA

* Must include 5 years of creditable civilian service

DISCONTINUED SERVICE RETIREMENT (DSR)

- Age 50 with at least 20 or more years of service*
- Any age with at least 25 years of service*
- Must receive a specific written notice of a proposed involuntary separation from your Agency/Installation
- No age reduction under FERS for early retirement
  - If you have a CSRS component, CSRS portion of annuity will be reduced 2% each full year under age 55
- Annuity starts day after separation
- You will receive an annuity supplement if:
  - You retire at or after your MRA
  - If not, you will receive it once you reach your MRA
- NOT eligible for VSIP or severance pay

* Must include 5 years of creditable civilian service

MINIMUM RETIREMENT AGE (MRA + 10)

POSTPONING RETIREMENT BENEFITS

- You can reduce or eliminate the 5% age reduction by postponing the commencing date of your MRA + 10 annuity.

- FEHB and FEGLI coverage may be reinstated prospectively if at time of separation you were eligible to continue coverage into retirement.

DEFERRED RETIREMENT

- **If you leave Federal service before meeting age and service requirements to retire:**
  - **You may receive a deferred annuity at age 62 with at least 5 years of creditable service or at the Minimum Retirement Age (MRA) with at least 10 years of creditable service (5% age reduction) IF:**
    - **You are not eligible for an immediate annuity within 1 month of separation; and**
    - **You meet the minimum 5 years of creditable civilian service requirement at the time of separation; and**
    - **You do not take a refund of retirement deductions after separating from Federal service**
- **FEHB and FEGLI will not be reinstated at the time your annuity commences. Your application for retirement is sent directly to OPM.**

NOTE: FERS annuity supplement is NOT payable.

RETIREMENT FORMS

- SF 3107, Application for Immediate Retirement
- SF 3107, Schedule A (Military Service Information), Schedule B (Military Retiree Pay), Schedule C (Federal Employees Compensation Information)
- SF 3107-2, Spouse's Consent to Survivor Election
- SF 2818, Continuation of Life Insurance Coverage
- W-4P, Withholding Certification for Pension or Annuity Payment
- State Tax Forms, if applicable
- SF 2809, Health Benefits Registration Form
- DD 214, Report of Separation from Active Duty (or equivalent)
- OPM 1514, Military Deposit Worksheet
- OPM 1515, Military Service Deposit Election
- Written notice of proposed involuntary separation (DSR)
- https://www.abc.army.mil/Forms/RetirementForms.htm

** For Deferred & Postponed retirement forms, contact OPM

FERS ANNUITY SUPPLEMENT

- An estimated amount of Social Security benefits earned during FERS service
- Benefit paid until age 62 to certain FERS employees who retire before age 62 and are entitled to an immediate annuity
- Eligibility:
  - Has at least 1 calendar year of FERS service AND
  - Retires with an immediate annuity
  - At or after MRA with 30 years
  - At age 60 with 20 years of service
  - At or after MRA under Early/DSR

- Individuals NOT eligible for annuity supplement:
  - Disability Retiree
  - MRA +10 provision
  - Deferred Annuity
  - Retiring at age 62 or older
  - CSRS Employees

- Duration of annuity supplement:
  - Payable through the earlier of the following dates:
    - Last day of the month you become age 62 **OR;**
    - Last day of the month before the first

FERS ANNUITY SUPPLEMENT

Supplement is tested for earnings above the Social Security exempt amount ($14,160 for 2011)

- **Earnings include wages and self-employment income**
- **Income from severance pay (including VSIP), pensions, savings and investments are NOT subject to the earnings test.**
- **Annuity supplement will be offset by $1 for every $2 over this amount that is earned in 2011**

UNUSED SICK LEAVE

- **For individuals covered by FERS:**
  - **Credit for 50% of sick leave**
  - **Credit for 100% in 2014**

- **For individuals who have transferred to FERS with a CSRS component, only the sick leave not included in the CSRS part of the calculation will be available under FERS**

Chart 2. -- Sick Leave Chart 2087 Hours

Chart for Converting Hours of Unused Sick Leave to Months and Days (See section 50A2.1-3G).

DAYS	1 Day	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	701	875	1049	1223	1397	1571	1745	1919
2	12	186	359	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1930
4	23	197	371	545	719	893	1067	1241	1415	1588	1762	1936
5	29	203	377	551	725	899	1072	1246	1420	1594	1768	1942
6	35	209	383	557	730	904	1078	1252	1426	1600	1774	1948
7	41	214	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1959
9	52	226	400	574	748	922	1096	1270	1444	1617	1791	1965
10	58	232	406	580	754	928	1101	1275	1449	1623	1797	1971
11	64	238	412	586	759	933	1107	1281	1455	1629	1803	1977
12	70	243	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1988
14	81	255	429	603	777	951	1125	1299	1472	1646	1820	1994
15	87	261	435	609	783	957	1130	1304	1478	1652	1826	2000
16	93	267	441	615	788	962	1136	1310	1484	1658	1832	2006
17	99	272	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2017
19	110	284	458	632	806	980	1154	1328	1501	1675	1849	2023
20	116	290	464	638	812	986	1159	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	672	846	1020	1194	1368	1542	1716	1890	2064
27	157	330	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1901	2075
29	168	342	516	690	864	1038	1212	1386	1559	1733	1907	2081

EXAMPLE: COMPUTING TOTAL SERVICE WITH UNUSED SICK LEAVE

TOTAL SERVICE

2012-12-31 (DOR)

- 1980-03-12 (Ret-SCD)

32-09-19

Unused Sick Leave

1136 hours =

(50% of 2272 hours)

+ 00-06-16

32-15-35

= 33-04-05

HIGH – 3 AVERAGE SALARY

- **Weighted average of highest 3 years of basic pay (including locality pay/local market supplement)**
- **Must be 3 consecutive years**
- **Is usually the last 3 years**
- **Is the highest salary, not the highest grade**
- **Normally, the beginning date of the 3 year period is determined by subtracting 3 years from the date of retirement**

ANNUITY COMPUTATION

FORMULA FOR COMPUTING ANNUITY FOR VOLUNTARY RETIREMENT:

- **High-3 avg salary X 1.0% X years and months of**

- **High-3 avg salary X 1.1% X years and months of service if you are age 62 with 20+ years of service**

REDUCTIONS
DEDUCTIONS

- Age Reduction (VERA/DSR)
- Deposit/Redeposit Service
- Election of Survivor Benefits
- Post-56 Military Deposit - (Applies to CSRS Employees hired before 10-01-1982, if eligible for Social Security; known as “Catch 62”)

- Health Benefits
- Life Insurance
- Federal Income Taxes
- Federal Employees Dental and Vision Insurance Program (FEDVIP)
- Federal Long Term Care Insurance Program (FLTCIP)
- State Tax (if applicable)

SURVIVOR ELECTION OPTIONS

- ☑ CURRENT Spouse Survivor Annuity ---Full (50% of your annuity)
- ☑ FORMER Spouse Survivor Annuity ---Full (50% of your annuity)
- ☑ Combination Current / Former Spouse Survivor Annuity
- ☑ Insurable Interest Survivor Annuity
- ☑ CURRENT Spouse Survivor Annuity ---Partial (25% of your annuity)
- ☑ FORMER Spouse Survivor Annuity ---Partial (25% of your annuity)
- ☑ Self Only Annuity (No survivor benefit)

SURVIVOR BENEFIT COST / REDUCTION

- **Full/Max (50%) = 10% of annuity**
- **Partial (25%) = 5% of annuity**

Example: Maximum (50%) elected
Basic Annuity = $12,000
$12,000 x 10% = -
1,200 yearly cost After Reduction =
$10,800 yearly annuity

Survivor will receive 50% of annuity = $6,000

Example: Partial (25%) elected
Basic Annuity = $12,000
$12,000 x 05% = - 600
yearly cost After Reduction =
$11,400 yearly annuity

Survivor will receive 25% of annuity = $3,000

SURVIVOR BENEFIT PAYMENTS

- **The survivor benefit is payable for life unless the survivor remarries before age 55.**
- **Benefits will be restored if the remarriage terminates in death, annulment or divorce.**

DISABILITY RETIREMENT

- **Disability – Unable to render useful & efficient service because of disease or injury**
- **Must be in a position covered by FERS**
- **Minimum of 18 months creditable civilian service**
- **Disability annuity IS subject to Federal tax**

DISABILITY RETIREMENT

- **Not eligible for FERS annuity supplement**
- **Required to apply for Social Security benefits**
- **Submit all forms for regular retirement**

PLUS:

- **SF 3112A – Applicant's Statement of Disability**
- **SF 3112B – Supervisor's Statement**
- **SF 3112C – Physician's Statement**
- **SF 3112D – Agency Certification of Reassignment and Accommodation Efforts**
- **FedMER Eligibility Statement**

DISABILITY RETIREMENT ANNUITY AMOUNT

IF UNDER AGE 62 AT SEPARATION:

FIRST 12 MONTHS	AFTER 12 MONTHS
60% x high 3 average salary	40% x high 3 average salary
minus	minus
100% of Social Security Benefits	60% of Social Security Benefits

Disability annuity is recomputed at age 62 to an amount that represents the annuity you would have received if you had continued working until the day before your 62nd birthday and then retired under non-disability provisions.

DISABILITY ANNUITY AMOUNT

If 62 or older or eligible for Optional Retirement, you receive an "earned annuity" based on the general FERS computation formula if you:

- **Are 62 years old or older; OR**
- **Meet the age and service requirements for regular, unreduced immediate retirement (MRA with 30 years, age 60 with 20 years, or age 62 with 5 years)**

DEATH-IN-SERVICE

- **If you die while still an active employee, your survivor MAY be entitled to death benefits**
- **In the event of your death, your supervisor needs to contact your servicing Human Resources (HR) Representative or Human Resources Officer (HRO)**
- **HR will contact ABC-C**
- **An ABC-C counselor will contact the survivor within 24 hours**

DEATH-IN-SERVICE

Spousal Benefits: Monthly annuity (survivor benefits) payable if married to employee at least 9 months, and the employee has 10 years of FERS service

EXCEPTIONS to the 9 months of marriage requirement:

- **Spouse is the parent of a child of the marriage, or**
- **Death was accidental**

DEATH BENEFITS

Children's Benefit(s) are payable if:

- **The child is unmarried AND under 18, or**
- **Under age 22 if full-time student, or**
- **Any age and disabled before 18**
- **Children's Benefit is the same if death-in- service or death as an annuitant**

DEATH BENEFIT

- Up to 3 children if a parent is living
  - 2010 rate is $469 per month per child
  - More than 3 children, $1409 divided by # of children
- Up to 3 children if no living parent
  - 2010 rate is $563 per month per child
  - More than 3 children, $1691 divided by # of children
- Amount reduced by Social Security benefits

COST OF LIVING ADJUSTMENTS (COLA)

- **Annual rate based on rise in Consumer Price Index (CPI)**

Increase in CPI	Amount of COLA
Up to 2%	Full CPI
2% - 3%	2%
3% or more	CPI – 1%

- **Effective 1 Dec each year**
- **Payable in Jan (1/12 of COLA for each month)**
- **Must be 62 or older to receive**
- **Disability annuitants and survivors receive COLA at any age**
- **There is no COLA for 2011**

WINDFALL ELIMINATION PROVISION (WEP)

- **If you didn't pay Social Security taxes on your government earnings and you are eligible for Social Security benefits, the formula used to figure your benefit amount may be modified, giving you a lower Social Security benefit.**

- **WEP affects Social Security benefits when any part of your Federal service after 1956 is covered under the Civil Service Retirement System (CSRS). However, Federal service where Social Security taxes are withheld (Federal Employees Retirement System or CSRS Offset) will not reduce your Social Security benefit amounts.**

WINDFALL ELIMINATION PROVISION (WEP)

WEP does not apply to survivors benefits. It also does not apply if:

- **You are a Federal worker first hired after December 31, 1983;**
- **You were employed on December 31, 1983, by a nonprofit organization that did not withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes from your pay;**
- **Your only pension is based on railroad employment;**
- **The only work you did where you did not pay Social Security taxes was before 1957; or**
- **You have 30 or more years of substantial earnings under Social Security.**

GOVERNMENT PENSION OFFSET (GPO)

- **If you receive a pension from a Federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow's or widower's benefits may be reduced. You are exempt from the GPO if you were contributing to Social Security for your last 5 years of federal employment.**

- **Your Social Security benefits will be reduced by 2/3s of your government pension.**
  - **Monthly civil service pension - $1,200**
  - **2/3s offset to Social Security - $ 800***
  - **Spouse or survivor benefit - $1,000**
  - **Final amount due - $ 200**

($1,000 – $800* = $200)

http://www.socialsecurity.gov/gpo-wep/

NON-APPROPRIATED FUND (NAF) RETIREMENT PROCESSING

NAF Retirement System - Contact nearest NAF office

FERS Retirement Plan - Contact the ABC-C

RETURNING TO FEDERAL EMPLOYMENT

IMPORTANT!!

If you are retiring and immediately being hired by NAF, transferring to other Federal employment, or being rehired as a reemployed annuitant, you must notify the ABC-C before your retirement is processed. This should prevent erroneous payout of your lump sum annual leave.

FEHB IN RETIREMENT

Self Only

Self & Family

Additional Information: http://www.opm.gov/insure/health

OPM Telephone: 1-888-767-6738

FEHB IN RETIREMENT

CONTINUATION INTO RETIREMENT

- **Retire on an immediate annuity**
- **Be insured on the date of retirement**
- **Covered for the 5 years of service prior to retirement or since your FIRST opportunity to enroll**

  (special rules for VERA and DSR, see next slide)
- **Coverage as a family member under FEHB or CHAMPUS/TRICARE counts towards 5 year requirement (employee must be enrolled in FEHB prior to retirement)**

FEHB IN RETIREMENT

CONTINUATION INTO RETIREMENT

Pre-approved automatic waiver of 5-year requirement:

- **Must be enrolled in FEHB on the first day of the buyout period (October 1 of the current FY) and**
- **Retire during the buyout period; and**
- **Receive a buyout (VSIP); or**
- **Take early optional retirement (VERA) as a result of early-out authority; or**
- **Take a DSR based on involuntary separation**

FEHB IN RETIREMENT

- **Cost of FEHB is the same for retirees and active employees except that premiums are paid on a monthly basis vs. bi-weekly**
- **Same Open Season and qualifying life event (QLE) opportunities as active employees**
- **Same FEHB plans available to retirees as active employees**
- **Once you cancel FEHB coverage in retirement, you can never re-enroll**
- **Retirement is not a qualifying life event for changing your FEHB enrollment**
- **At age 65, you must enroll in Medicare and it becomes your primary and your FEHB plan becomes your secondary provider**

FEHB IN RETIREMENT

- **Retirees can suspend FEHB for TRICARE or Medicare (if enrolled in Medicare Advantage health plan) and return to FEHB coverage during Open Season or immediately upon involuntarily losing non-FEHB coverage.**
- **Retirees do NOT participate in Premium Conversion.**
- **Your spouse is eligible to continue FEHB coverage after your death only if you have Self and Family coverage and you elect to provide a survivor benefit at retirement.**

MEDICARE

- **Part A (Hospitalization) – No Cost**
  - **Enrollment is automatic at age 65**
- **Part B (Medical) – Monthly premium based on yearly adjusted gross income**
- **Part D (Drug) – Monthly premium**

FEGLI IN RETIREMENT

Additional Information:

www.opm.gov/insure/life

OPM Telephone: 1-888-767-6738

FEGLI IN RETIREMENT

CONTINUATION INTO RETIREMENT

- **Retire on an immediate annuity**
- **Insured on date of retirement**
- **Enrolled in each Option and Multiple for the 5 years of service prior to retirement OR since your FIRST opportunity to enroll**
- **Election Form: SF2818 – Continuation of Life Insurance Coverage – form requires 4 signatures**

FEGLI IN RETIREMENT

BASIC LIFE OPTIONS:

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000. Ex: $51,400 = $52,000 + $2,000 = Amt of Basic Ins $54,000

Options age 65	Before age 65	After age 65
1. 75% reduction	BIA x .3250 (per $1,000) ex: $17.55 per month	NO COST ***Coverage reduces 2% per mth for 37.5 mths until it reaches a final value of $13,500***
2. 50% reduction	BIA x .9250 (per $1,000) ex: $32.40 per month	BIA x .6000 (per $1,000) ex: $49.95 per month ***Coverage reduces 1% per mth for 50 mths until it reaches a final value of $27,000***
3. NO reduction	BIA x 2.1550 (per $1,000) ex: $116.37 per month	BIA x 1.8300 (per $1,000) ex: $98.82 per month

FEGLI IN RETIREMENT

OPTION A - STANDARD COVERAGE:

OPTION A - Standard = $10,000

Age Group	Monthly Cost
Under 35	$0.65
35 thru 39	$0.87
40 thru 44	$1.30
45 thru 49	$1.95
50 thru 54	$3.03
55 thru 59	$5.85
60 thru 64	$13.00
65 & above	NO COST

At age 65 coverage reduces by 2% per month for 37.5 months until it reaches $2,500.

FEGLI IN RETIREMENT

OPTION B – ADDITIONAL COVERAGE (1 – 5 MULTIPLES OF PAY):

OPTION B – Ex: Annual Salary $51,400 1x Multiple elected = $52,000

Age Group	Mthly Cost @ $1000	Mthly Cost
Under 35	$0.065	$3.38
35 thru 39	$0.087	$4.52
40 thru 44	$0.130	$6.76
45 thru 49	$0.195	$10.14
50 thru 54	$0.303	$15.76
55 thru 59	$0.607	$31.56
60 thru 64	$1.300	$67.60
65 thru 69	$1.560	$81.12
70 thru 74	$2.600	$135.20
75 thru 79	$3.900	$202.80
80 & Above	$5.200	$270.40

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage will end.

NO Reduction: Coverage and premium will continue.

FEGLI IN RETIREMENT

OPTION C - FAMILY COVERAGE

(1 - 5 MULTIPLES):

OPTION C - Spouse = $5,000 (1x Multiple) / Each Child = $2,500 (1x Multiple)

Age Group	Mthly Cost per Multiple	Mthly Cost (1x)
Under 35	$0.59	$0.59
35 thru 39	$0.74	$0.74
40 thru 44	$1.00	$1.00
45 thru 49	$1.30	$1.30
50 thru 54	$1.95	$1.95
55 thru 59	$3.14	$3.14
60 thru 64	$5.63	$5.63
65 thru 69	$6.50	$6.50
70 thru 74	$7.37	$7.37
75 thru 79	$9.75	$9.75
80 & above	$13.00	$13.00

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage will end.
NO Reduction: Coverage and premium will continue.

TSP IN RETIREMENT

Thrift Savings Plan

Telephone: 1-877-968-3778
TDD: 1-877-847-4385

Monday through Friday
7:00 a.m. – 9:00 p.m. ET

Mailing Address:
Post Office Box 385021
Birmingham, AL 35238

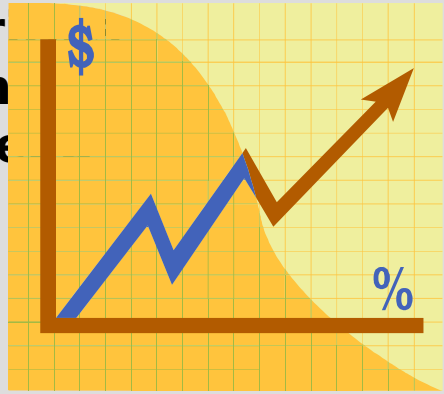
http://www.tsp.gov

THRIFT SAVINGS PLAN (TSP)

- Tax deferred retirement savings & investment plan
- Provides the opportunity to increase your retirement income
- You must be in a position subject to retirement deductions to contribute
- TSP offers two approaches to investing your money:
  - L Funds are “Lifecycle” Funds invested in a mix of stocks, bonds, & Government securities
  - Individual Funds are the G, F, C, S, I funds

TSP FUNDS

- **Government Securities Investment (G) Fund**
  - **Invested in short-term U.S. Treasury secur**
  - **Interest income without risk of loss of prin**
  - **Payment of principal & interest is guarante**
  - **Low risk**
  - **10-year annual return: 4.26%**



- **Fixed Income Index Investment (F) Fund**
  - **Government, corporate & mortgage-backed bonds**
  - **Invested in bond index fund that tracks Barclays Capital U.S. Aggregate bond index**
  - **Offers opportunity to earn rates of return that exceed money market fund rates over the long term**
  - **Low to moderate risk**
  - **10-year annual return: 5.91%**

TSP FUNDS

- **Common Stock Index Investment (C) Fund**
  - **Stocks of large & medium-sized US companies**
  - **Invested in stock index fund that tracks the Standard & Poors (S&P) 500 stock index**
  - **Potential to earn high investment returns over the long term**
  - **Moderate risk**
  - **10-year annual return: 1.42%**

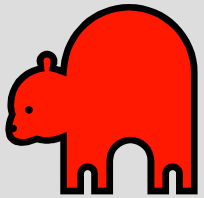
- **Small Capitalization Stock Index (S) Fund**
  - **Stocks of small to medium-sized US companies**
  - **Invested in stock index fund that tracks Dow Jones Wilshire 4500 Completion (DJW 4500) index**
  - **Earn potentially higher investment returns over the long term than in the C Fund**
  - **Moderate to high risk (more than the C Fund)**
  - **10-year annual return: 6.12%**

TSP FUNDS

- **International Stock Index Investment (I) Fund**
  - **International stocks of 21 developed countries**
  - **Invested in stock index fund that tracks the Morgan Stanley Capital International EAFE (Europe, Australasia, Far East) index**
  - **Potential to earn high investment returns over the long term**
  - **Moderate to high risk**
  - **10-year annual return: 3.45%**

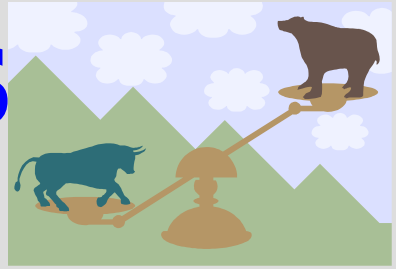
- **Lifecycle (L) Fund**
  - **Each L Fund is invested in the individual TSP funds (G, F, C, S, I), using investment allocations that are tailored to different time horizons**
  - **Objective is to provide the highest possible rate of return for the amount of risk taken**
  - **Subject to the risks of the individual funds**
  - **Expected returns will be approximately equal to weighted average of the G, F, C, S, I Funds' returns**

LIFECYCLE FUNDS



FUND	TIME HORIZON	GROWTH	RISK
L Income	Today and the near future	Low	Low
L 2020	2015 through 2024	Moderate	Moderate
L 2030	2025 through 2034	Moderate to High	High
L 2040	2035 or later	High	High

LIFECYCLE FUNDS
FUND ALLOCATIONS



L FUND	G Fund	F Fund	C Fund	S Fund	I Fund
L Income	74%	6%	12%	3%	5%
L 2020	35.40%	7.48%	30.32%	9.90%	16.90%
L 2030	21.77%	8.48%	35.90%	13.90%	19.95%
L 2040	10.77%	9.48%	39.90%	16.95%	22.90%

TSP PROJECTION

Amount of Annual TSP Contribution	# of Years to Contribute	Rate of Return (based on 10-year summary of annual returns for F Fund)	Projected TSP Account Balance
$7,500	10	6%	$136,749
$7,500	20	6%	$385,551
$7,500	30	6%	$838,221
$5,000	30	6%	$628,666
$2,500	30	6%	$419,110

TSP IN RETIREMENT

WITHDRAWAL OPTIONS:

- Automatic cashout (accounts less than $200)
- Leave money in the TSP
- Age-based withdrawal
- Full Withdrawal
  - Single payment
  - Monthly payments
  - Life annuity
- Mixed Withdrawal
- Must begin to receive TSP funds by April 1 of the year following the year you are 70 ½

HOW TO APPLY:

TSP-70 FORM - Withdrawal Request

TSP CATCH-UP CONTRIBUTIONS

- Open to TSP participants age 50 or older
- Not eligible for agency automatic 1% matching contribution
- Limited to $5,500 for year 2011
  - Must be contributing IRS yearly maximum, $16,500 for 2011
  - Must make new election each year

Elections made via EBIS at https://www.abc.army.mil or IVRS at 1-877-276-9287

LONG TERM CARE INSURANCE (LTCI)

Want to talk with a Certified Long Term Care Insurance Consultant?

Tel: 1-800-LTC-FEDS (1-800-582-3337)
TTY: 1-800-843-3557
Mon - Fri 8 a.m. - 8 p.m. ET
Sat 9 a.m. - 5 p.m. ET
Closed Sun and Federal holidays.

http://www.ltcfeds.com

FLEXIBLE SPENDING ACCOUNTS (FSA)

To receive more information regarding FSAs, please
contact a SHPS counselor.
Retirees are not eligible to continue FSA.

Email: FSAFEDS@shps.net
Telephone: 1-877-FSAFEDS (1-877-372-3337)
TTY: 1-800-952-0450

- **Mon-Fri 9 a.m. – 9 p.m. ET**
- **Closed Weekends and Holidays**
- **http://www.fsafeds.com**

FEDERAL EMPLOYEES DENTAL & VISION INSURANCE PROGRAM (FEDVIP)

Can enroll in dental, vision, or both

Self Only Self & One Self & Family

Dental Benefits

Diagnostic
Preventative
Emergency Care
Restorative
Oral/Maxillofacial Surgery
Endodontics
Periodontics
Prosthodontics
Orthodontics

Vision Benefits

Diagnostic Services
Preventative Services
Eyewear
- Glasses
- Contacts

ENROLL AT

https://www.benefeds.com

1-877-888-3337

TTY 1-877-889-5680

DESIGNATION OF BENEFICIARY

Beneficiary Forms:

- **SF 1152 (Unpaid Comp)**
- **SF 2823 (FEGLI)**
- **SF 3102 (FERS)**
- **TSP 3 (TSP)**

Order of Precedence:

- **Court Order**
- **Designation of Beneficiary**
- **Widow or Widower**
- **Children (and/or descendants of deceased children)**
- **Parents**
- **Executor or Administrator of Estate**
- **Next of Kin**

RETIREMENT ESTIMATE

- Request your retirement estimate no more than 5 years prior to your retirement eligibility date
- ABC-C will compute one retirement estimate per year
- Retirement estimate includes:
  - Verification of military & civilian service documented in your Official Personnel Folder (OPF)
  - Calculation of amount of civilian deposit and/or redeposit owed
  - Impact of unpaid civilian deposit/redeposit & military deposit on your retirement annuity
  - Confirmation of your current FEHB & FEGLI enrollment & your eligibility to continue these benefits into retirement

ABC-C RETIREMENT PROCESS

- 5 years prior to retirement eligibility:
  - Contact the ABC-C for retirement estimate & information
  - Call ABC-C with questions on retirement estimate
- 180 days prior to retirement:
  - Download forms from ABC-C website
  - Call ABC-C for help with the retirement forms
- 120 days prior to retirement:
  - Mail original retirement forms to ABC
  - Maintain personal copy

ABC-C RETIREMENT PROCESS

- **ABC-C receives your retirement package:**
  - **Reviews retirement package**
  - **Sends letter acknowledging receipt and requests missing forms/documents**
  - **Requests OPF 60-90 days out**

- **30-60 days prior to retirement:**
  - **Retirement package assigned to counselor**

ABC-C RETIREMENT PROCESS

- **ABC-C retirement counselor:**
  - **Verifies required forms and documents**
  - **Processes retirement package**
  - **Provides final retirement counseling**
  - **Retirement package is forwarded to DFAS**

Provide good retirement address & contact information

RETIREMENT PROCESS

- **2 - 4 weeks after retirement:**
  - **Final paycheck is received**
  - **Lump sum annual leave is paid**
  - **VSIP payments if applicable**

- **6 - 8 weeks after retirement:**
  - **Receive 1st INTERIM payment**
  - **Receive letter from OPM with CSA number**

Office of Personnel Management Retirement Operations Center
P.O. Box 45
Boyers, PA 16017

www.opm.gov
email: retire@opm.gov
Tel: 1-888-767-6738

Social Security Administration
www.ssa.gov
www.medicare.gov
Tel: 1-800-772-1213

IRS Publication 721
www.irs.gov
Tel: 1-800-Tax-

CHANGING or WITHDRAWING YOUR RETIREMENT

- **Your request to change your date of retirement or to withdraw your retirement application must be in writing and**
  - **Must be signed**
  - **May be faxed to ABC-C**
- **If you are receiving a VERA and/or VSIP, your request should be signed by your CPAC/HR Professional**
- **Submit the request to ABC-C as soon as you have made a decision**
- **Changing or withdrawing your retirement MAY cause problems with your paycheck**

FOR ADDITIONAL RETIREMENT INFORMATION

CONTACT THE ABC-C

- **Toll Free 1-877-276-9287 (TDD 1-877-276-9833)**
- **Belgium: 0800-78245**
- **Germany: 0800-1010282**
- **Italy: 0800-780821**
- **Japan: 00531-1-20378**
- **Korea: 00798-14-800-4766**
- **Kuwait: 1-877-276-9287 (Dial 809-463-3376 for DSN line, wait for a tone, then dial the toll free number)**
- **Netherlands: 0800-0232739**
- **Saudi Arabia: 1-877-276-9287**
- **United Kingdom: 08-000857723**
- **Counselors are available from 6 am – 6 pm CT**
- **Website: https://www.abc.army.mil**
- **Mailing Address: 303 Marshall Avenue, Ft. Riley, KS 66442-5004**

Army Benefits Center - Civilian
1-877-276-9287

Initial Options

Select: 1= Army Civilian 2= DCMA Civilian 3= National Guard 4= Non-Appropriated Fund or Uniformed Service Member	**Select:** 1= Customer Service Survey 2= Access Benefits and Entitlements **Select:** 1= Current or Separated Civilian Employee 2= Retiree or Surviving Spouse 3= Seeking Temporary Continuation of Coverage (FEHB TCC)	**To access Benefits and Entitlements:** 1= Enter SSN and PIN 1= Change your PIN 2= Continue 2= Forgot PIN **Current Duty Phone** 1= Correct 2= Change	**Main Menu:** 0= Benefits Counselor 1= FEHB 2= Retirement 3= TSP 4= FEGLI 6= Fax Document 9= Exit System

Menu Information Available after Main Menu Option Selected

1 = FEHB: 1= General Information 2= Personal Information 3= New Employee Election 4= Change from Self and Family to Self Only (without changing plan) 5= Open Season Election 6= Cancel FEHB 7= Non-Open Season Change 8= Fax of latest SF 2809 0= Counselor 9= Previous Menu	**2 = Retirement:** 1= General Information 2= Personal Information 3= Retirement Estimate 0= Counselor 9= Previous Menu	**3 = TSP:** 1= Personal Information 2= TSP Election 4= Stop Contributions 5= TSP Catch-Up Election 0= Counselor 9= Previous Menu	**4 = FEGLI:** 1= General Information 2= Personal Information 3= New Employee Election 4= Non-Open Season Election 5= Open Season Election 6= Fax of Open Season Election 0= Counselor 9= Previous Menu	**6 = Faxed Documents:** 1= Request a Document 2= Index of Documents 9= Previous Menu

ANY QUESTIONS?